



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • [www.lacdc.org](http://www.lacdc.org)

Gloria Molina  
Yvonne Brathwaite Burke  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich  
Commissioners

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**Carlos Jackson**  
*Executive Director*

September 9, 2003

Honorable Board of Commissioners  
Housing Authority of the  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AMENDMENTS AND CONTINUED IMPLEMENTATION OF  
ALLOCATION AND DISTRIBUTION PLAN FOR CITY OF INDUSTRY  
REDEVELOPMENT HOUSING SET-ASIDE FUNDS (ALL DISTRICTS)  
(3 Vote)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve amendments to the Allocation and Distribution Plan (the Plan) for City of Industry Redevelopment Housing Set-Aside Funds (Industry Funds), as described herein, and authorize the Executive Director to continue implementation of the Plan for development of low- and moderate-income housing within a 15-mile radius of the City of Industry, to be effective on the date of Board approval.
2. Authorize the Executive Director to purchase real property for the purpose of facilitating the development of affordable for-sale housing within unincorporated areas of the County and cities participating in the Community Development Block Grant (CDBG) Urban County Program, located within a 15-mile radius of the City of Industry, and authorize the use of previously allocated and unallocated Industry Funds for this purpose.
3. Authorize the Executive Director to incorporate a total of \$10,500,000 in previously allocated and unallocated Industry Funds into the Housing Authority's approved Fiscal Year 2003-2004 budget, for the funding of new and modified homeownership programs as described herein.

4. Authorize the Executive Director to transfer Industry Funds allocated for homeownership between the proposed Homeownership Development and Property Acquisition Programs, as described herein, and to return to the Board annually with a report indicating the distributions made to each program.

**PURPOSE /JUSTIFICATION OF RECOMMENDED ACTIONS:**

The purpose of this action is to approve amendments to the Industry Plan and authorize its continued implementation.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On March 18, 2003, your Board authorized the Housing Authority to develop and report on the feasibility of implementing separate and ongoing programs for generating homeownership opportunities using Industry Funds. Under the current allocation formula, 40 percent of the funds allocated for affordable housing are reserved for loans to developers to construct affordable for-sale housing. The current method of issuing annual Requests for Proposals (RFP) has not resulted in a commitment of all available funds for homeownership development, due to current market conditions that have driven the County median home price to \$328,000.

The Housing Authority, therefore, proposes that the following new program and program modifications be made a part of the existing Plan. These actions are part of a strategy to increase the number of low- and moderate-income homebuyers. The Housing Authority is also requesting that your Board authorize the Executive Director to transfer funds among the programs described below.

**Homeownership Development Program Open RFP**

The Housing Authority proposes modifying the current Homeownership Development Program to utilize an open RFP, rather than the current annual RFP. The open RFP will be administered year-round, utilizing the existing Industry RFP process and subject to the existing 40 percent formula approved by your Board. This will allow developers to apply for Industry Funds on an ongoing basis, and will allow the Housing Authority to better respond to specific program needs.

During the first nine months of each fiscal year, Industry Funds made available to for-sale housing developments through the open RFP will be restricted for use only in unincorporated areas of the County and in Urban County participating cities within the

15-mile radius of the City of Industry. Following this period, Industry Funds will be made available anywhere within a 15-mile radius of the City of Industry, including participating and non-participating cities and the unincorporated County. After 12 months, any uncommitted funds under the open RFP will be made available to the Industry Fund Property Acquisition Program, described below.

#### Property Acquisition Program

The Housing Authority proposes a Property Acquisition Program, which will allow it to acquire properties within the Industry-eligible area to develop for-sale housing, using an open RFP based on current Industry RFP guidelines.

Your Board previously authorized the Executive Director to utilize CDBG and Home Investment Partnerships (HOME) Program funds to acquire properties Countywide for the development of affordable housing, subject to the approval of the affected Supervisorial District. This authorization is now being requested for Industry Funds utilized solely within the City of Industry 15-mile radius and subject to the approval of the affected Supervisorial District.

#### Increased Income Limits and Per-Unit Subsidy Amounts (Industry-Funded Homeownership Program)

The Housing Authority proposes increasing the income levels from 100 percent to up to 120 percent of the Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, and increasing the maximum amount of homebuyer assistance from \$50,000 to \$100,000 per home in secondary loans (soft seconds). These actions will facilitate the leveraging of funds among various homeownership programs and assist moderate-income homebuyers who cannot afford the median price of a home in the County. Program regulations will set the maximum sales price at the current County median home price, as determined by the California Association of Realtors. The properties must remain available for purchase by low- and moderate-income homeowners for a period of 45 years, subject to a "Right-of-First-Refusal" to purchase the property by the Housing Authority.

#### **IMPACT ON CURRENT PROGRAM:**

Approval of amendments and modifications to the Plan will support the goal of providing affordable for-sale housing for low- and moderate-income County residents.

Respectfully submitted,

CARLOS JACKSON  
Executive Director  
CJ:CBB/gk